

# HEMISPHERIC VISION: Jackson School Revitalizes Ties through Latin American Forum on Energy and the Environment

by J. B. BIRD

**L**IKE OIL AND WATER, ENERGY AND ENVIRONMENT do not always mix, at least not in public, where advocates for the two issues often hunker down into entrenched political camps. In an effort to bridge the divide—and unite two regions that have their own share of political history—the University of Texas at Austin’s Jackson School of Geosciences launched the Latin American Forum on Energy and the Environment. The initiative was designed to revitalize the university’s ties to the energy and geoscience sectors of Latin America while creating a space for stakeholders to explore balanced stewardship of energy and environmental resources.

Charles Groat, a professor of energy and mineral resources at the Jackson School, where he currently serves as interim dean, sees the value of organizations like the forum that can bring together diverse players. “Energy and mineral producers commonly play up the economic value of a commodity and downplay environmental concerns, and as a result, their credibility with the public is not always strong,” noted Groat. “Environmental groups emphasize negative landscape impacts,” he added, “and tend to downplay economic benefits.” In between, Groat said, there need to be organizations perceived as honest brokers.

Few academic institutions can unite as many Latin American geoscience leaders as the University of Texas at Austin. Within a two-year span the university hosted three meetings, in Austin (Sept. 18–20, 2005), Rio de Janeiro (July 9–11, 2006), and Huatulco, Mexico (Sept. 30–Oct. 2, 2007), convening government ministers, energy executives, and international funding representatives from fourteen countries. Guests included twenty-four ministers and directors of national energy and environmental agencies.

Two major joint projects have resulted—a commitment of \$7.5 million from Brazil’s national oil company, Petrobras, to pursue collaborative education and research with the university, and a conference on transnational water issues. A third conference is on the table uniting Cuban, Mexican, and U.S. representatives to discuss transnational energy issues in the Gulf of Mexico. Additional projects in Venezuela and Ecuador are under consideration.

## Seeking Advice

At the Rio meeting, cohosted with the Brazilian Institute of Oil, Gas, and Biofuels, the need to balance energy and environmental concerns was very much on the mind of John Briceño (UT BBA 1985), at the time

Belize's deputy prime minister and minister of natural resources and the environment. (Following a change in government, Briceño is now a member of the Belizean parliament.) "I want advice—that's why I'm here," Briceño told the assembly. After five decades of failed oil and gas exploration in Belize, oil was finally discovered there in 2005 at a site called Spanish Lookout. The size of the discovery—10 million barrels of high quality light crude—was modest by most countries' standards. But for a nation of fewer than 300,000 inhabitants, 30 percent of whom live below the poverty line, it was a windfall. The discovery prompted national celebrations, and also, said Briceño, major questions: "What are the impacts? Benefits? How will we manage the industry and ensure profits help as many Belizeans as possible?"

Complicating matters, Belize relies heavily on eco-tourism for revenue. The country is home to the world's first national jaguar preserve and second longest barrier reef. "Because so much of what we have here is fragile, we take the concerns of our friends in the environmental sector very seriously," said Briceño. "At the same time, in our context, leaving such a valuable commodity in the ground is not an option."

### Neutral Parties

Each of the first three forum meetings included a mix of joint presentations followed by breakout groups dedicated to energy and environment. Ample time was reserved for networking. The school invited forum members to bring partners and spouses, to give the event a personal touch and cultivate trust across national boundaries.

Presenters have included Armando Zamora, director of the National Hydrocarbons Agency of Colombia, discussing new models for expanding foreign investment in Columbia's hydrocarbon sector; Allan Flores Moya, former vice minister of energy and environment for Costa Rica, discussing Costa Rica's alternative energy programs; and Gordon Weynand, energy team leader of the U.S. Agency for International Development (USAID), talking about USAID's priorities in Latin America.

Given the range of energy economies represented at each forum—from deregulated to nationalized and all trends in between—attendees have found interesting subjects for comparison. Energy regulations emerged as one hot topic, with representatives curious

to share best practices. Marilda Rosado de Sá Ribeiro, former director of legal affairs for Brazil's National Petroleum, Natural Gas, and Biofuels Agency (ANP), began to assemble a matrix of energy sector regulations across Latin America and North America. Working with Scott Tinker, director of the university's Bureau of Economic Geology, she carried the work into the second forum in Rio, where regulatory practices became a major topic.

Economic valuation of environmental assets was popular at the Huatulco meeting. Eugenio Figueroa, director of the National Center for the Environment and the Center of Environmental and Natural Resource Economics at the University of Chile, demonstrated a method adopted by Chile to value the country's protected areas. By showing the positive impact of protected areas on the Chilean economy, the method helped the government reject lobbying efforts to open up sensitive areas to development.

### Southern Model

Part of the Rio meeting highlighted Brazil's success in oil and gas exploration over the past three decades, when the country moved from being a net importer to a net exporter of energy. Oil and gas have been critical to the shift, but so have biofuels. Following the 1973 international energy crisis, Brazil began a series of policies to provide incentives for production and consumption of sugar-based ethanol. The program experienced dramatic ups and downs, and nearly crashed with the low price of oil and high price of sugar in the late 1980s. Today, however, it is considered a major economic and environmental success. Biofuels and other renewable sources classed as biomass account for 29 percent of Brazil's energy consumption.

Maria Antoniêta de Souza of Brazil's energy agency offered an overview of the biofuels program, of particular relevance to countries like Mexico interested in expanding ethanol production. Ethanol works in Brazil because of the low cost of domestic sugar, government policies requiring its use, and most recently, the automobile industry's embrace of flex-fuel passenger vehicles. Flex-fuel cars are far and away the most popular passenger vehicles in Brazil.

### Double Vision

Even Brazil's much vaunted biofuels program

draws fire from environmentalists who criticize farming practices and the use of land for fuel instead of food. From Belize to Brazil, all countries seek to obtain maximum benefits from their natural resources, but development of energy resources, noted Groat, is often perceived to be in conflict with stewardship of the environment.

Can countries have it both ways? "Yes, but it isn't easy," said Groat. In his presentation in Rio on "Resource Development and Environmental Integrity: The Quest for Balanced Policies," Groat offered examples of win-win situations where industry adopted environmental practices that had economic benefits. In one case, Texas Utilities reclaimed land in advance of regulations, to increase the value as real estate. In another, depleted quarries were reshaped for houses, commercial structures, and recreation.

Groat described the potential for fostering such situations but cautioned that education and public discourse need to look more deeply at energy and environmental issues. "We do not present in education or outreach a balanced view," said Groat. "It tends to be an all-resource perspective from the companies or all-environment in the popular view. Companies' primary interest is in the value of the resource. Environmental groups sometimes leap to an 'It's evil' point of view and in extreme cases minimize resource value. Our education system needs to give a balanced view."

The University of Texas at Austin has long been a top destination for Latin American geoscientists, whether they are seeking degrees or working with the Bureau of Economic Geology and other units on collaborative research. With Groat's new center focusing on energy and environmental issues, plus a confluence of strengths in regulatory law, energy management, and policy, the university is well positioned to offer a full spectrum of education for Latin American energy and environmental specialists.

Now with the Latin American Forum on Energy and the Environment, the university has a new leadership role—and perhaps a way to help Belize keep its pristine beaches while developing its oil wealth. (See sidebar p. 29.)

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